

PUBLIC DISCLOSURE

August 12, 2013

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

THE PROVIDENT BANK

Certificate # 90141

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Division of Banks

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<p>NOTE: This document is an evaluation of the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operations of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Federal Deposit Insurance Corporation or the Division of Banks concerning the safety and soundness of this financial institution.</p>

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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires the Massachusetts Division of Banks (Division) and the Federal Deposit Insurance Corporation (FDIC) to use their authority when examining financial institutions subject to their supervision, to assess the institution's record of meeting the needs of its entire assessment area, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agencies must prepare a written evaluation of the institution's record of meeting the credit needs of its assessment area.

This document is an evaluation of the CRA performance of **The Provident Bank (or the Bank)**, prepared by the Division and the FDIC, the institution's supervisory agencies as of **August 12, 2013**. The agencies evaluate performance in the assessment area(s), as they are defined by the institution, rather than individual branches. This assessment area evaluation may include visits to some, but not necessarily all of the institution's branches. The Division rates the CRA performance of an institution consistent with the provisions set forth in the Division's regulation 209 CMR 46.00. The FDIC rates the CRA performance institution consistent with the provisions set forth in Appendix A to 12 CFR Part 345 of the FDIC's Rules and Regulations.

INSTITUTION'S CRA RATING: This institution is rated "Satisfactory."

An institution in this group has an adequate record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The assigned rating is based on the results of two performance tests: the Lending Test and the Community Development Test. The Bank's performance under each of these tests is summarized below:

Lending Test

The institution is rated "**Satisfactory**" under the Lending Test. This rating is supported by the following summary of results.

Loan-to-Deposit Ratio

The loan-to-deposit (LTD) ratio is reasonable (considering seasonal variations and taking into account lending-related activities) given the institution's size, financial condition, and assessment area credit needs. The Bank's average net LTD ratio over the 13 quarters since the prior CRA evaluation, dated May 10, 2010, was 85.5 percent.

Assessment Area Concentration

A majority of the Bank's small business and home mortgage loans are in the institution's assessment area. During 2011 and 2012, 72.9 percent of the total number of small business loans and 86.9 percent of the total number of home mortgage loans were made in the assessment area.

Geographic Distribution

Overall, the geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The Bank made a reasonable percentage of small business loans within low- and moderate-income (LMI) census tracts. The Provident Bank exceeded the aggregate in 2011 within the area's moderate-income tracts. The Bank slightly exceeded the aggregate's performance in 2011 in making home mortgage loans in the area's moderate-income geographies. Performance in LMI geographies was also reasonable in 2012.

Borrower Characteristics

The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among businesses of different revenue sizes and individuals of different income levels (including low- and moderate-income). The Bank increased the number of small business loans made to assessment area businesses with revenues of \$1 million or less from 2011 to 2012. The Bank also exceeded the aggregate performance in percentage of home mortgage loans to low-income borrowers in 2011.

Response to Complaints

The Provident Bank did not receive any CRA-related complaints during the evaluation period.

Community Development Test

The institution is rated "**High Satisfactory**" by the Division, and "**Satisfactory**" by the FDIC under the Community Development Test. The FDIC's rating matrix for this test does not include a "High Satisfactory;" therefore, a rating of "Satisfactory" is assigned by the FDIC.

The institution demonstrated good responsiveness to community development needs in its assessment area through community development loans, qualified investments, and community development services, considering the institution's capacity and the need and availability of such opportunities throughout the institution's assessment area. The rating is supported by the following factors.

Community Development Loans

The Bank made two qualified community development loans totaling approximately \$2.3 million during the evaluation period. These loans had the primary purpose of providing affordable housing for low- and moderate-income individuals or geographies and technical assistance to small businesses.

Community Development Investments

The Bank's total qualified investments are approximately \$5.1 million. Donations primarily assisted organizations which provide community services targeted to low- and moderate-income individuals.

Community Development Services

The Bank was adequately involved in community development organizations within its designated assessment area. Officers and employees, as well as Directors, offered their financial expertise to community development organizations providing services primarily to low- and moderate-income individuals and families.

SCOPE OF THE EXAMINATION

This evaluation assessed The Provident Bank's CRA performance utilizing the interagency Intermediate Small Bank (ISB) examination procedures, as established by the Federal Financial Institutions Examination Council (FFIEC). These procedures require two performance tests: the Lending Test and the Community Development Test. The Lending Test analyzes an institution's applicable home mortgage, small business, and small farm loans during a certain review period. The Community Development Test is an analysis of qualified activities (loans, investments, and services) an institution performed to meet the needs of the community since the previous evaluation.

The Lending Test considered the Bank's small business and home mortgage lending. The Bank's most recent Report of Condition and Income (Call Report), dated June 30, 2013, indicated that commercial lending, consisting of commercial real estate and commercial and industrial loans, represented 56.8 percent of the loan portfolio. Residential lending, including all loans secured by 1-4 family and multi-family residential properties, represented 37.2 percent of the loan portfolio. The Bank made a relatively low number of small farm loans during the review period; thus, this product line was not analyzed.

Data reviewed includes small business loans for 2011, 2012 and year-to-date (YTD) 2013. While the Bank is not required to report small business lending data as an ISB, it opted to do so. The Bank's CRA loan registers indicated 142 small business loans totaling \$24.5 million in 2011 and 190 small business loans totaling \$31.8 million in 2012. Small business aggregate data for 2011 was used for formal comparison purposes. Additionally, business demographics data from the assessment area was also used to measure the Bank's performance.

Home mortgage loans reported on the Bank's Home Mortgage Disclosure Act (HMDA) loan application registers (LARs) were also reviewed for the same period. The LARs contain data about home purchase and home improvement loans, including refinances of 1-4 family and multi-family properties. The Bank reported 96 loans totaling \$18.2 million in 2011 and 149 loans totaling \$22.5 million in 2012. The Bank's home mortgage lending performance was compared against 2011 aggregate lending data. Aggregate data includes the lending activity of all institutions subject to HMDA reporting within the Bank's assessment area. The evaluation focused on lending performance in 2011, as aggregate data for 2012 was not yet available.

While the Lending Test discusses the total dollar amounts of loans, conclusions were primarily based on the Bank's lending performance by the number of loans originated or purchased. The number of loans correlates more closely with the number of individuals or businesses that obtained loans. Extremely large or small dollar loans could skew conclusions.

The Community Development Test considered the number and dollar amount of community development loans, qualified investments, and community development services between May 10, 2010 and August 12, 2013.

Demographic information from both the 2000 and 2010 United States (U.S.) Census was referenced in this evaluation. Lending data from 2011 was compared to 2000 U.S. Census data, while 2012 lending data was compared to 2010 U.S. Census data. Information from the 2010 U.S. Census was not available until 2012. Demographic information in the Performance Context section of the evaluation is based on the 2010 U.S. Census. Financial data was generally obtained from the June 30, 2013 Call Report.

PERFORMANCE CONTEXT

Description of Institution

The Provident Bank is a State-chartered community institution incorporated under the laws of the Commonwealth of Massachusetts. The Bank serves the savings and credit needs of individuals and businesses located in Amesbury and the surrounding cities and towns, including Southern New Hampshire, along the seacoast.

The Bank's main office is located at 5 Market Street in downtown Amesbury. In addition, the Bank operates six branch offices. The Massachusetts branches are located in Amesbury and Newburyport. The New Hampshire offices are located in Portsmouth, Seabrook, Exeter, and Hampton. All offices are located in middle-income census tracts, with the exception of Seabrook (located in a moderate-income census tract) and Newburyport (located in an upper-income census tract). Additionally, The Provident Bank has 24-hour walk-up Automated Teller Machines (ATMs) located in the West Newbury Food Market and the UPS Store in Amesbury.

Since the previous FDIC and Division CRA evaluation in 2010, the Bank opened two loan production offices. In December 2011, the Bank opened a loan production office in Bedford, New Hampshire and in October 2012, the Nashua, New Hampshire office opened. The Bank did not close any locations during the evaluation period.

The Bank's total assets have increased from \$509 million to slightly over \$610 million, or approximately 19.8 percent, since the previous evaluation. Total deposits, as of June 30, 2013 stood at \$470 million, an increase of approximately 19.6 percent since the prior examination. Net Loans currently total over \$428 million and account for 70.2 percent of total assets.

Table 1 – Loan Portfolio Distribution as of Jun 30, 2013		
Loan Type	Dollar Amount \$('000s)	Percent of Total Loans (%)
Loans Secured by Real Estate		
Construction, Land Development, and Other Land Loans	16,372	3.8
Secured by Farmland (Including Farm Residential and Other Improvements)	11	0.0
Revolving, Open-end Loans Secured by 1-4 Family Residential Properties and Extended Under Lines of Credit	19,886	4.6
Closed-end Loans Secured by 1-4 Family Residential Properties: Secured by First Liens	105,153	24.5
Closed-end Loans Secured by 1-4 Family Residential Properties: Secured by Junior Liens	3,657	0.9
Secured by Multi-Family (5 or more) Residential Properties	31,025	7.2
Secured by Nonfarm Nonresidential Properties	169,537	39.6
Loans to Finance Agricultural Production and Other Loans to Farmers	0	0.0
Commercial and Industrial	73,613	17.2
Loan to Individuals for Household, Family, or Other Personal Expenditures (Consumer Loans)	9,322	2.2
TOTAL LOANS	428,576	100.0

Source: June 30, 2013 Call Report

As depicted in Table 1, The Provident Bank's portfolio is diversified between commercial and residential real estate lending. However, the Bank's strategy is to place more emphasis (going forward) on small business lending. Table 1 provides additional details regarding the structure of the Bank's loan portfolio as of June 30, 2013.

The prior CRA evaluation was conducted by the Division and the FDIC as of May 10, 2010, using ISB procedures. The evaluation resulted in an overall "Satisfactory" rating by the FDIC and the Division. There are no significant financial or legal impediments that limit the Bank's ability to help meet the credit needs of its assessment area.

Description of Assessment Area

The CRA requires the designation of one or more assessment areas within which a financial institution's record of helping to meet the credit needs of its community will be evaluated. The Bank has one designated assessment area that conforms to CRA requirements.

Geographies

The Bank's assessment area is comprised of 22 cities and towns in Massachusetts and New Hampshire. It includes the following communities from Essex County and the Peabody, Massachusetts (MA) Metropolitan Division (MD) #37764: Amesbury, Merrimac, West Newbury, Newbury, Newburyport, and Salisbury. The New Hampshire municipalities include Brentwood, Exeter, Greenland, Hampton, Hampton Falls, Kensington, New Castle, Newfields, Newington, Newmarket, North Hampton, Portsmouth, Rye, Seabrook, Stratham, and South Hampton. All New Hampshire cities and towns are located within Rockingham County and the Rockingham County-Strafford County NH MSA/MD #40484.

The *Geographic Distribution* section of the Lending Test evaluates the distribution of loans by census tract income level, especially in those designated low- and moderate-income. Each census tract is assigned an income level based on the median family income (MFI) of the tract as compared to the MFI established for the MSA in which the tract is located. The four income levels are defined as follows:

Low-Income: Less than 50 percent of MFI

Moderate-Income: At least 50 percent but less than 80 percent of MFI

Middle-Income: At Least 80 percent but less than 120 percent of MFI

Upper-Income: 120 percent or greater of MFI

Based on 2010 U.S. Census data, there is 1 low-income tract, 4 moderate-income tracts, 20 middle-income tracts, and 14 upper-income tracts. The 1 low-income census tract is located in Hampton, NH. The area's moderate-income tracts are located in Seabrook, Exeter, and Portsmouth NH.

The area's census tract composition changed since the previous evaluation due to the most recent U.S. Census. The number of census tracts increased from 34 to 39. The number of low-, moderate- and upper-income tracts increased while the number of middle-income tracts decreased.

Table 2 contains pertinent demographic information concerning the assessment area.

Table 2 – Assessment Area Demographic Information					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts)	39	2.6	10.2	51.3	35.9
Population by Geography	160,829	1.1	9.6	53.3	36.0
Owner-Occupied Housing by Geography	48,359	1.0	9.2	52.1	37.6
Businesses by Geography (2011)	23,272	0.0	6.2	78.4	15.4
Businesses by Geography (2012)	22,642	1.3	8.6	54.5	35.6
Distribution of Families by Income Level	42,469	15.4	17.1	22.2	45.3
Assessment Area Median Family Income (MFI)	\$87,065(2011) \$88,300(2012)	Median Housing Value		\$364,652	
MD #37764 MFI, 2011	\$86,200				
MD #37764 MFI, 2012	\$87,300				
MD #40484 MFI, 2011	\$87,600	Unemployment Rate		4.9%	
MD #40484 MFI, 2012	\$88,800				
Families Below Poverty Level	2.9%				

Source: 2010 U.S. Census, 2011 and 2012 D&B data, 2011 HUD Estimated MFI, 2012 FFIEC Estimated MFI

Median Family Income Levels

The home mortgage loan analysis under the *Borrower Characteristics* section of the Lending Test is primarily based on the distribution of home mortgage loans to borrowers of different incomes, using the same four income levels defined in the previous section. The analysis utilizes income data from the 2000 and 2010 U.S. Census that has been annually adjusted by the Department of Housing and Urban Development (HUD) for inflation and other economic events. The estimated 2011 and 2012 MFI figures for the Peabody, MA MD and Rockingham County-Strafford County NH MSA/MD are listed in Table 2.

The analysis of the Bank's home mortgage lending also includes comparisons to the distribution of assessment area families by income level. Table 2 reveals there is a much higher representation of upper-income families compared to other income categories. Low-income families have the smallest representation at 15.4 percent. Families below the poverty level, a subset of this income designation, represent 19.0 percent of this group. This data suggests lending opportunities to low-income families are limited.

Housing Characteristics

Among other statistics, Table 2 also illustrates the distribution of owner-occupied housing units by census tract income level. Table 2 shows that owner-occupied housing units in the assessment area are heavily concentrated in middle-income and upper-income census tracts. Only 10.2 percent of total owner-occupied units are in the low- or moderate-income tracts. This limits opportunities to make home mortgage loans in either of these census tract categories.

Unemployment Data

State and county unemployment rates were obtained from the Bureau of Labor Statistics. As of June 2013, the Massachusetts unemployment rate is 7.4 percent, and the New Hampshire unemployment rate is 5.1 percent. The Essex County unemployment rate is 7.8 percent. The Rockingham County unemployment rate is 5.5 percent.

Massachusetts municipal unemployment rates were obtained from the Massachusetts Executive Office of Labor and Workforce Development. As of June 2013, the unemployment rates in Massachusetts ranged from a low of 4.9 percent in West Newbury, to a high of 7.3 percent in Salisbury. The unemployment rates in New Hampshire municipalities within the assessment area ranged from a low of 3.7 percent in Newmarket to a high of 7.4 percent in Seabrook. Overall, the unemployment rate of the assessment area is 4.9 percent.

Business Demographic Data

According to Table 2, the number of non-farm businesses in the assessment area decreased slightly from 2011 to 2012. Additionally, there was a higher concentration of businesses in moderate-income census tracts in 2012. This is likely due to changes in census tract income levels as a result of the 2010 U.S. Census. Dun & Bradstreet (D&B) data indicated that 68.5 percent of businesses reported gross annual revenues (GARs) of \$1.0 million or less in 2011. This ratio increased to 72.8 percent in 2012. While economic challenges during the review period may have limited demand for credit from small businesses, there appears to be a high percentage of small businesses in the assessment area.

Competition

The Bank faces strong competition from other financial institutions that originated loans within the assessment area. These institutions range in size and type from small credit unions and mortgage companies to large national banks. Among the more prominent lenders competing with The Provident Bank are Wells Fargo Bank, N.A.; Bank of America, N.A.; and JPMorgan Chase Bank, N.A.

The 2011 Peer Mortgage Data shows that 308 lenders originated 9,025 residential mortgage loans in the Bank's assessment area. The Provident Bank ranked 24th with market share of 1.0 percent. The Bank does not purchase loans, but many of the large national banks ranked ahead of the Bank purchased large pools of residential loans.

Community Contact

As part of the evaluation process, third parties active in community affairs are contacted to assist in assessing the housing and general banking needs of the community. Relevant information obtained from such sources helps to determine whether local financial institutions are responsive to the credit and service needs of their communities and what further opportunities, if any, are available. For purposes of this evaluation, information provided by two such contacts were referenced in preparing this evaluation.

One contact, a small business development company, identified the greatest need as access to capital in the early stages of funding for businesses, especially start-ups. Local startups with little to no track record are often recognized as an inordinate risk by traditional lending avenues, and other resources, such as micro-lending programs and Angel Investor initiatives, have not been available since the economic downturn. The contact noted there was an asymmetry between the supply and demands of the job market, and proper training and initiatives to attract larger businesses into the area would also help spur area development. The contact explained that a large number of financial institutions, including The Provident Bank, have been helpful in providing funding for specialized programs. The contact noted that one need from financial institutions is more funding for business advising services, which is a central driver of economic development for the area.

The second contact was conducted with a local housing authority. This contact noted that there is a growing need for affordable housing in the area. The demand for public housing increased significantly in recent years. At the same time, effects from the economic downturn linger as funding to maintain units is not readily available, and plans to purchase new units is not feasible. There are opportunities for local financial institutions to be help by becoming involved in the development of affordable housing.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The Lending Test considers the institution's performance pursuant to the following criteria: Loan-to-Deposit (LTD) Ratio, Assessment Area Concentration, Geographic Distribution, Borrower Characteristics, and Response to CRA Complaints. Overall, the Bank's performance under the Lending Test is "Satisfactory." This rating indicates that the Bank's lending performance demonstrates a reasonable responsiveness to the credit needs of the assessment area.

Loan-to-Deposit Ratio

The LTD ratio criterion evaluates the percentage of the Bank's deposit base that is reinvested in the form of loans. The Bank's LTD ratio is reasonable (considering seasonal variations and taking into account lending-related activities) given the institution's size, financial condition, and assessment area credit needs. The Bank's average net LTD ratio over the 13 quarters since the previous CRA evaluation was 85.5 percent. The Bank's net LTD ratio as of June 30, 2013 was 89.9 percent.

Growth patterns of loans and deposits were also analyzed to assess changes in the net LTD ratio over the course of the review period. Net loans (total loans net of unearned income and allowance for loan losses) generally increased during the review period. Overall, net loans increased by 27.1 percent over the last 13 quarters. Total deposits increased to a lesser degree during the evaluation period, at 17.4 percent. As a result of loan growth exceeding deposit growth, the net LTD ratio increased during this time period.

The Bank's average net LTD ratio was compared to the average net LTD ratios of three locally-based, similarly situated, depository institutions utilizing the period of June 30, 2010 to June 30, 2013. Each institution is headquartered in the Boston-Cambridge-Quincy, MA-NH MSA/CBSA #14460, had similar loan product distribution, and had total assets between \$450 million and \$650 million as of June 30, 2013. The Bank ranked third when compared to the other banks' average net LTD ratios.

Table 3 – Loan-to-Deposit Comparison		
Bank Name	Total Assets \$('000s) as of 6/30/13	Average Net LTD Ratio
Bank of New England	509,231	98.2
North Shore Bank, A Co-operative Bank	454,350	95.6
The Provident Bank	610,118	85.5
Pentucket Bank	644,520	82.4

Source: June 30, 2010 through June 30, 2013 Call Reports

Assessment Area Concentration

This performance criterion evaluates whether the Bank is meeting the credit needs within its assessment area by determining the amount of lending conducted within the assessment area. The analysis includes both residential and small business lending. As stated previously, more weight was placed on small business lending performance given the Bank's strategic focus.

Table 4 illustrates the Bank's record of originating loans inside and outside the assessment area during the evaluation period.

Table 4 – Distribution of Loans Inside and Outside of Assessment Area										
Loan Category or Type	Number of Loans					Dollar Volume				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$(000)	%	\$(000)	%	\$(000)
Small Business Loans										
2011	105	73.9	37	26.1	142	13,476	55.1	10,982	44.9	24,458
2012	137	72.1	53	27.9	190	20,338	64.0	11,432	36.0	31,770
Total Small Business	242	72.9	90	27.1	332	33,814	60.1	22,414	39.9	56,228
Home Mortgage Loans										
2011										
Home Purchase	21	100.0	0	0.0	21	4,959	100.0	0	0.0	4,959
Refinance	44	84.6	8	15.4	52	8,639	84.9	1,543	15.2	10,182
Home Improvement	21	91.3	2	8.7	23	2,445	81.1	571	18.9	3,016
Total	86	89.6	10	10.4	96	16,043	88.4	2,114	11.6	18,157
2012										
Home Purchase	26	74.3	9	25.7	35	4,195	62.4	2,533	37.6	6,728
Refinance	56	86.2	9	13.8	65	11,483	86.8	1,748	13.2	13,231
Home Improvement	45	91.8	4	8.2	49	2,124	85.1	371	14.9	2,495
Total	127	85.2	22	14.8	149	17,802	79.3	4,652	20.7	22,454
Total Home Mortgage	213	86.9	32	13.1	245	33,845	83.3	6,766	16.7	40,611
Grand Total	455	78.9	122	21.1	577	67,659	69.9	29,180	30.1	96,839

Source: 2011 and 2012 HMDA LARs and CRA Loan Registers

Overall, a majority of the Bank's small business and residential loans, by number and dollar amount, were inside the designated assessment area. As shown in Table 4, the Bank made 78.9 percent of its total loans, by number, and 69.9 percent, by dollar amount, inside the assessment area. The following sections detail the Bank's performance by loan type.

Small Business Lending

A majority of small business loans, by both number (72.9 percent) and dollar amount (60.1 percent), were made in the assessment area during the review period. Although the ratio of loans inside the assessment area was fairly consistent from 2011 to 2012, the number of originations in the assessment area increased by 33.8 percent. Bank management attributed the increase to increased branch resources devoted to originating small business loans. Additionally, the Bank was awarded money from the Small Business Lending Fund stimulus program and was approved for the Small Business Administration's (SBA's) Preferred Lending Program in 2011. As a result, the Bank was better positioned to make small business loans in 2012. Although the Bank made a majority of loans in the assessment area in YTD 2013 (58.2 percent), the ratio is lower than in 2011 and 2012.

Home Mortgage Lending

Table 4 shows that the Bank originated a majority of home mortgage loans inside its assessment area in 2011 and 2012. The ratio was also good in YTD 2013 (82.9 percent). All 21 home purchase loans in 2011 were inside the assessment area. Management attributed the high concentration of loans in the assessment area to not employing outside originators.

While volume increased for each loan purpose, home improvement loans increased significantly in 2012. The Bank is involved with the Mass Save HEAT loan program that provides customers with zero percent loans to assist with the installation of energy efficient improvements in their

homes. HEAT loan originations were the primary reason that home improvement loans increased in 2012.

The Bank's assessment area lending in 2011 was compared to that of all lenders subject to HMDA (i.e. aggregate performance). The institution ranked 24th out of 308 lenders in the assessment area, capturing 1.0 percent of the market share. There were two community banks that ranked ahead of The Provident Bank. This is reasonable considering the Bank is primarily a commercial lender.

Geographic Distribution

Overall, the geographic distribution of small business and home mortgage loans reflects reasonable dispersion throughout the assessment area. This conclusion was primarily based on the Bank's distribution of loans in LMI census tracts. The following sections discuss the Bank's performance under this criterion with regard to each product line. As noted previously, the 2010 U.S. Census resulted in a shift in demographics in 2012. The Bank went from no low-income and two moderate-income geographies in 2011 to one low- and four moderate-income geographies in 2012.

Small Business Lending

The geographic distribution of the Bank's small business lending reflects reasonable dispersion throughout the assessment area. Table 5 illustrates the Bank's small business lending activity in 2011 and 2012, aggregate data for 2011, and the composition of businesses by census tract income level for both years.

Table 5 – Distribution of Small Business Loans by Census Tract Income Level							
Census Tract Income Level	2011 % of Total Businesses	2011 Aggregate Lending Data (% of #)	2011 Bank		2012 % of Total Businesses	2012 Bank	
			#			#	%
Low					1.3	9	6.6
Moderate	6.2	4.7	11	10.5	8.6	8	5.8
Middle	78.4	79.0	85	80.9	54.5	84	61.3
Upper	15.4	16.3	9	8.6	35.6	36	26.3
Total	100.0	100.0	105	100.0	100.0	137	100.0

Source: 2011 and 2012 D&B Business Data; 2011 and 2012 CRA Loan Registers; 2011 CRA Aggregate Data

In 2011, the distribution of loans in the moderate-income tracts is higher than the distribution of businesses and the aggregate performance. Among all tract income levels, the performance in moderate-income tracts was strongest relative to the distribution of businesses and aggregate data.

The Bank increased total small business loan originations in 2012 by 30.5 percent. While performance in the moderate-income geographies declined, the Bank made a good percentage of loans in the low-income census tract relative to demographics. The Bank significantly increased the number of loans in upper-income tracts in 2012. This is reasonable considering the demographic shift associated with the 2010 U.S. Census. This shift resulted in a higher concentration of businesses in the upper-income tracts in 2012.

A review of YTD 2013 data showed improved performance in both low- and moderate-income tracts, by percentage. The Bank's performance in the moderate-income geographies in YTD 2013 (14.1 percent) was more than double what it was in 2012, reflecting a positive trend.

Home Mortgage Lending

The distribution of the Bank's home mortgage loans reflects reasonable dispersion throughout the assessment area. Table 6 presents the Bank's home mortgage lending performance by number of loans in 2011 and 2012, as well as aggregate lending data for 2011. Table 6 also includes the percentage of owner-occupied housing units for each census tract income level for comparison purposes.

Table 6 – Distribution of Home Mortgage Loans by Census Tract Income Level							
Census Tract Income Level	% of Total Owner- Occupied Housing Units (2000 U.S. Census)	2011 Aggregate Lending Data (% of #)	2011 Bank		% of Total Owner- Occupied Housing Units (2010 U.S. Census)	2012 Bank	
			#	%		#	%
Low					1.0	5	3.9
Moderate	6.2	4.1	4	4.7	9.3	9	7.1
Middle	74.2	72.8	75	87.2	52.1	62	48.8
Upper	19.6	23.1	7	8.1	37.6	51	40.2
Total	100.0	100.0	86	100.0	100.0	127	100.0

Source: 2000 and 2010 U.S. Census Data; 2011 and 2012 HMDA Data

As revealed in Table 6, a significant majority of the Bank's loans were in middle-income tracts in 2011. The Bank's ratio of loans in moderate-income tracts at 4.7 percent was slightly above the aggregate performance at 4.1 percent. Both the Bank and the aggregate market had ratios below the percentage of owner-occupied units. Market share reports indicate a high level of competition as 91 lenders made a total of 375 loans in the moderate-income tracts in 2011. According to these reports, the Bank ranked 27th with a 1.1 percent market share in these tracts.

The Provident Bank originated 3.9 percent of loans in low-income geographies in 2012, which was above the percentage of owner-occupied housing units. The percentage of loans in moderate-income tracts improved from 2011; however, this performance was slightly less than the percentage of owner-occupied units in these tracts. The Bank made loans in all but one of the area's moderate-income tracts in 2012. As stated earlier, the 2012 aggregate lending data is not available for comparison purposes at this time. The YTD 2013 percentages in the LMI tracts, at 3.5 percent and 8.2 percent, were very similar to those from 2012, demonstrating a consistent trend.

Borrower Characteristics

Overall, the distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among businesses of different sizes and individuals of different income levels (including LMI). This conclusion was primarily based on The Provident Bank's reasonable distribution of loans to businesses with GARs of \$1 million or less and home mortgage loans to LMI individuals. The following sections discuss the Bank's performance by loan type.

Small Business Lending

The distribution of the Bank's small business loans by GAR level is reasonable. Table 7 illustrates the Bank's small business loans in 2011 and 2012, aggregate data for 2011, and business composition in the assessment area by GAR for each year.

Table 7 – Distribution of Small Business Loans by Gross Annual Revenues (GAR)							
GAR \$(000)	2011 % of Total Businesses	2011 Aggregate Lending Data (% of #)	2011 Bank		2012 % of Total Businesses	2012 Bank	
			#	%		#	%
≤ \$1,000	68.5	42.3	43	41.0	72.8	65	47.4
> \$1,000	3.8	Not Available	54	51.4	4.8	53	38.7
Not Reported	27.7	Not Available	8	7.6	22.4	19	13.9
Total	100.0	100.0	105	100.0	100.0	137	100.0

Source: 2011 and 2012 D&B Business Data; 2011 and 2012 CRA Loan Registers; 2011 CRA Aggregate Data

In 2011, the Bank's lending at 41.0 percent was well below the percentage of businesses with GARs of \$1 million or less. However, this performance was similar to the aggregate lending performance. The Bank's performance increased by number and percentage in 2012. As a mitigating factor, management indicated loans in which no GAR information was reported were primarily loans for the Bank's micro loan program. These are loans of small amounts that are approved without reviewing revenue information. It is very likely that businesses receiving these loans are smaller businesses. Furthermore, a review of YTD 2013 indicated a positive trend of loans made to smaller businesses.

Bank management stated that it recently devoted new personnel and training resources to small business lending at the branch level. The branches now have an increased focus on originating small business loans. The loan programs offered at the branch level are targeted to smaller businesses.

Home Mortgage Lending

The Bank's performance is reasonable. Borrower incomes for loans reported in 2011 and 2012 were compared to the MFI of the appropriate MD. Table 8 shows the Bank's loans by borrower income level in 2011 and 2012. Table 8 also includes the distribution of families by income level using the appropriate U.S. Census data, as well as aggregate market data for 2011.

Table 8 – Distribution of Home Mortgage Loans by Borrower Income Level							
Income Level	% of Total Families (2000 U.S. Census)	2011 Aggregate Lending Data (% of #)	2011 Bank		% of Total Families (2010 U.S. Census)	2012 Bank	
			#	%		#	%
Low	16.2	3.3	9	10.4	15.4	9	7.1
Moderate	18.6	13.4	10	11.6	17.1	21	16.5
Middle	24.0	22.3	12	14.0	22.2	27	21.3
Upper	41.2	45.9	43	50.0	45.3	57	44.9
Income NA	0.0	15.1	12	14.0	0.0	13	10.2
Total	100.0	100.0	86	100.0	100.0	127	100.0

Source: 2000 and 2010 U.S. Census Data; 2011 and 2012 HMDA Data

The Provident Bank's distribution of loans to low-income borrowers at 10.4 percent was well above the aggregate lending data of 3.3 percent in 2011. Although the Bank's performance was less than the 16.2 percent of low-income families, this is reasonable considering that 22.5 percent of low-income families were below the poverty level based on 2000 U.S. Census data. A portion of low-income families would not qualify for a home mortgage loan. The Bank was ranked 9th in lending to low-income borrowers in the assessment area with a market share of 3.0 percent. The percentage of low-income borrower loans declined in 2012, but the number of loans remained consistent.

The Bank's distribution of loans to moderate-income borrowers at 11.6 percent was below the aggregate, at 13.4 percent, and the percentage of moderate-income families at 18.6 percent in 2011. The Bank was ranked 27th in lending to these borrowers with a 0.8 percent market share. The assessment area was highly competitive, as there were 143 lenders that made loans to moderate-income borrowers in the assessment area in 2011. Both the number and percentage of loans to moderate-income borrowers improved in 2012. The Bank's performance in 2012 was slightly less than the percentage of moderate-income families. The review of YTD 2013 data indicated a slightly declining trend for loans to both low- and moderate-income borrowers.

Bank management indicated that offering products and participating in loan programs that make home loans more accessible to LMI borrowers is the primary reason for the Bank's effective performance under this criterion, especially to low-income borrowers. The Bank offers two purchase assistance programs specifically targeted to LMI borrowers. Loans originated through these programs represented the vast majority of loans originated to LMI borrowers during the review period.

Response to CRA Complaints

The Provident Bank did not receive any CRA-related complaints during the evaluation period. It was noted that the Bank maintains adequate procedures to handle all incoming complaints, including those related to its CRA performance.

COMMUNITY DEVELOPMENT TEST

The Provident Bank's community development performance demonstrates good responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services as appropriate, considering the institution's capacity and the need and availability of such opportunities in the institution's assessment area.

Qualified Community Development Loans

For the purpose of this evaluation, a community development loan is defined as a loan that: (1) has community development as its primary purpose, (2) has not already been reported by the bank for consideration under small business or home mortgage lending (unless it is a multifamily dwelling loan), and (3) benefits the bank's assessment area or a broader statewide or regional area that includes the bank's assessment area.

The Bank originated two community development loans totaling approximately \$2.3 million since the previous examination, dated May 10, 2010. These numbers represent 0.5 percent of the Bank's total loans and 0.4 percent of the Bank's total assets. The Bank improved its performance since the previous examination, at which time there was one community development loan totaling \$250,000.

On June 29, 2012, The Provident Bank extended a \$250,000 loan to a New Hampshire Community Loan Fund which operated within the assessment area. On May 31, 2013, this loan was refinanced into a new \$2 million loan to the same organization. The loan fund is a private non-profit organization, founded on the belief that low-income people can build their assets and gain long term economic stability. The fund grants loans to non-profit groups to create affordable housing for low- and moderate-income borrowers, to create jobs by providing technical and financial assistance to small businesses, and to administer Individual Development Accounts (IDA's) through local community organizations.

Qualified Community Development Investments

A qualified investment for the purposes of this evaluation is a lawful investment, deposit, membership share, or grant that has community development as its primary purpose. The evaluation considered (1) investment and grant activity, (2) the responsiveness to credit and community development needs, and (3) community development initiatives. The following describes the institution's qualified investments during this evaluation.

Since the previous evaluation dated May 10, 2010, the amount of the Bank's total qualified investments, donations, and grants is \$5.1 million. This includes \$4 million in new equity investments and \$925,447 (book value) in existing investments. This marks a significant increase since the previous CRA examination, as the Bank did not receive credit for any new equity investments at that time. Also, \$187,438 in qualified grants and donations were identified.

Equity Investments

FannieMae (FNMA) Mortgage-Backed Securities program- The Bank purchased a FNMA mortgage-backed security in the amount of \$1.6 million; the underlying loans were made to low- and moderate-income individuals within Rockingham and Essex counties.

Small Business Investment Company (SBIC) program- The SBIC program is a financial assistance program for small businesses available through the SBA. The Bank made two new investments in SBIC funds during the evaluation period, in the amount of \$2.4 million. The Bank also holds an SBIC investment from 2007 with a book value of \$925,447.

Charitable Donations

Contributions were made to organizations providing education, youth programs, affordable housing, health and human services, and support to businesses for growth and development. From May 10, 2010 through August 12, 2013, The Provident Bank granted approximately \$1.3 million in charitable donations to community organizations, of which approximately \$187,438, or 14.9 percent, was considered qualified under CRA for community development. Table 9 breaks down the Bank's qualified donations by year and purpose.

Table 9 - Community Development Grants and Donations

Activity Year	Qualifying Category										Totals	
	Affordable Housing		Community Services*		Economic Development		Revitalization or Stabilization**		Neighborhood Stabilization Projects			
	#	\$	#	\$	#	\$	#	\$	#	\$	#	\$
2011	2	21,625	36	50,188	1	19,000	0	0	0	0	39	90,813
2012	1	2,500	32	74,425	0	0	0	0	0	0	33	76,925
1/1/2013- 8/12/2013	1	2,500	9	16,200	1	1,000	0	0	0	0	11	19,700
Total	4	26,625	77	140,813	2	20,000	0	0	0	0	83	187,438

Source: Bank Records

*Targeted to Low- or Moderate-Income Individuals

** In Low- or Moderate-Income, Disaster, Distressed, or Underserved Geographies

Examples of the qualifying organizations include:

The Housing Partnership- This organization was created in 1988 by local businesses, the United Way, and concerned citizens to help address the critical shortage of affordable housing in the region. Since its creation, it developed more than 312 quality affordable housing units for low- and moderate-income residents in 12 communities in Strafford and Rockingham counties in New Hampshire and in York County, Maine. This organization also provides first-time homebuyer education as well as foreclosure prevention counseling.

Roof Over Head Collaborative, Inc. (ROOF) - ROOF is a non-profit organization that purchases homes and provides homeless and at-risk families with an opportunity to live in these homes. The clients are financially at-risk with dependent children who have the ability and motivation to contribute to housing costs. The communities served by this program are Amesbury, Newburyport and Salisbury. ROOF's program is designed to provide housing for up to two years. During this time, families are required to meet with a local service agency regularly for budget, employment and educational counseling.

Our Neighbors' Table- This organization is committed to establishing a community that provides for the whole person with nourishing food, kindness, and dignity. Our Neighbor's Table offers a free meal on Wednesdays to the community, which serves over 20,000 each year. Additional programs include a food pantry, emergency food assistance, and holiday food programs. These programs serve a number of communities on the North Shore.

Cross Roads House- This organization offers food, shelter, and a program that helps its LMI residents achieve their goal of independent and sustainable housing. Located in Portsmouth, New Hampshire, it is the largest emergency and transitional shelter in the state, housing up to 96 people on any given night. Program offerings include adult tutoring and GED preparation, job search and vocational training, budgeting, and help find permanent housing.

Coastal Homebuyer Education- Located in Newburyport, Massachusetts, this organization offers down payment programs and homebuyer selection for affordable units for the public. The majority of the recipients are LMI. Coastal works with homebuyers, area developers, CHAPA, and state and local governments to assist homebuyers through to home purchase.

Community Development Finance Authority (CDFA) - This organization supports affordable housing and economic development activities that benefit low- and moderate-income citizens in New Hampshire. CDFA provides financial resources to non-profits, community development organizations, counties, municipalities, and for-profit businesses. These organizations, in partnership with CDFA, create affordable housing, support formation of new jobs and help retain existing employment for low- and moderate-income New Hampshire residents.

Qualified Community Development Services

A community development service has community development as its primary purpose and is generally related to the provision of financial services. The Provident Bank demonstrated a reasonable responsiveness to the area's community development needs through qualified services. The Bank is currently involved in local services and non-profit entities which qualify as community development organizations, lending their financial expertise to these organizations.

Bank Employee and Director Involvement

During the evaluation period, officers and employees of the Bank were involved in organizations in various capacities that represented a community development purpose. Bank personnel provided these organizations with financial expertise and served as directors, officers, loan committee members, and volunteers.

The following are examples of the Bank's participation with various organizations that benefited the assessment area.

Coastal Economic Development Corporation

This non-profit regional economic development corporation services 11 communities along New Hampshire's Seacoast. As the recognized intermediary between private businesses and many public financing agencies, CEDC accesses Federal and State finance programs (including the Community Development Block Grant program). Additionally, CEDC provides technical assistance to small businesses, and owns and operates a business center in Hampton. A Vice President serves on the Board of this corporation.

Turning Point Inc.

The mission of this non-profit organization is to develop programs that promote empowerment, independence, and self-sufficiency for individuals with disabilities and disadvantages. The majority of the program recipients are low- or moderate-income. The President of the Bank serves as the Treasurer and is on the Finance Committee.

Greater Newburyport YMCA

This organization offers programs that benefit LMI residents, including financial literacy seminars, affordable housing, affordable child care, and subsidized camp assistance for low- and moderate-income families and individuals in need. The Bank's Executive Chairman serves as the Capital Campaign Co-Chair of this organization.

Boys and Girls Club of the Lower Merrimack Valley

This organization provides numerous after school programs for its members. A majority of the members are from low- or moderate-income families. The organization offers social support services subsidized by the Commonwealth of Massachusetts and local municipalities. This organization services several towns within the Bank's area. A Senior Vice President at the Bank is a Board member and serves on the organization's Finance Committee.

Amesbury Holiday Program

This non-profit organization helps LMI families in need provide gifts to their children on Christmas morning. It is run by volunteers from the Amesbury community. Last year, this program served 127 families in the area. A Vice President at the Bank serves as the Treasurer for this program.

Financial Education and Outreach

Throughout the evaluation period, Bank personnel and management participated in various education and outreach events that had community development as their primary purpose. The following illustrates examples of these community development activities.

The Bank participated in three first-time homebuyer seminars during the review period in conjunction with Coastal Homebuyer Education. A total of 55 households participated in these seminars. This program is certified by CHAPA, MHP Fund, MassHousing and serves as a pre-requisite for many financing programs.

In 2011, Bank employees made financial educational presentations for two local elementary school classes. These presentations included an overview of how the bank gives money back to the community through loans, and how your money grows when you keep it in a savings account.

The Bank hosted two Brownie Troops for educational presentations on money and tours of the Bank.

A Bank employee provided two financial education sessions for a group of women from Turning Point, Inc. These sessions focused on money management and personal budgeting tips.

APPENDIX A

Massachusetts Division of Banks Fair Lending Policies and Procedures Review

The Division of Banks provides comments regarding the institution's fair lending policies and procedures pursuant to Regulatory Bulletin 1.3-106.

Included in the Bank's loan policy are the Bank's efforts to eliminate discrimination. The Bank provides fair lending training to all lending personnel as well as the Board at least annually. Management develops training programs that cover all aspects of the lending process. The Bank has four bi-lingual employees, and the languages spoken include French, Spanish, Dutch, and Afrikaans.

Based upon the review of the Bank's public comment file and its performance relative to fair lending policies and practices, no violations of the anti-discrimination laws and regulations were identified.

MINORITY APPLICATION FLOW

According to the 2000 U.S. Census Data, the Bank's assessment area in 2011 contained a total population of 154,364 individuals of which 3.7 percent are minorities. The assessment areas racial and ethnic minority population is 1.0 percent Asian, 1.0 percent Hispanic or Latino, 0.6 percent Black/African American, 0.2 percent American Indian, and 0.9 percent other.

In 2012, according to the 2010 U.S. Census Data, the Bank's assessment area contained a total population of 160,829 individuals of which 5.5 percent are minorities. The assessment areas minority and ethnic population is 1.6 percent Asian, 1.7 percent Hispanic or Latino, 0.6 percent Black/African American, 0.1 percent American Indian, and 1.4 percent other.

For 2011 and 2012, the Bank received 350 HMDA-reportable loan applications from within its assessment area. Of these applications, 5 or 1.4 percent were received from racial minority applicants, of which 3 or 60 percent resulted in originations. Of the remaining two applications one was approved but not accepted, and the other was denied. For the same time period, the Bank also received 3 applications from ethnic groups of Hispanic origin within its assessment area of which 2 were originated, and 1 was denied.

The Bank's level of lending was compared with the aggregate's lending performance level for 2011, the most recent year for which data was available. The comparison of this data assists in deriving reasonable expectations for the rate of applications the Bank received from minority residential loan applicants. Refer to the table below for information on the Bank's minority application flow as well as the aggregate lender's in the Bank's assessment area.

The Bank's performance was comparable to the 2011 aggregate performance level for minority applicants. In 2011, the Bank received 1.4 percent of its applications from racial minorities while the aggregate was slightly higher at 1.6 percent. In 2012, the Bank's racial minority application flow was similar at 1.5 percent.

The Bank's performance was also comparable to the 2011 aggregate performance for ethnic minorities. In 2011, the Bank received 0.7 percent while the aggregate received 1.0 percent for ethnic minorities. In 2012 the Bank's ethnic minority applications increased to 1.0 percent.

The Bank's minority application flow, when compared to the aggregate's lending performance levels and the assessment area demographics, is reasonable.

APPENDIX B

General Definitions

GEOGRAPHY TERMS

Census Tract: Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Metropolitan Area (MA): One or more large population centers and adjacent communities that have a high degree of economic and social integration. Each MA must contain either a place with a minimum population of 50,000 of Census Bureau-defined urbanized area and a total MA population of at least 100,000 (75,000 in New England). An MA comprises one or more central counties and may include one or more outlying counties that have close economic and social relationships with the central county. In New England, MAs are composed of cities and towns rather than whole counties.

Metropolitan Statistical Area (MSA): One or more metropolitan areas that have economic and social ties.

Primary Metropolitan Statistical Area (PMSA): A large urbanized county or cluster of counties that demonstrate very strong internal economic and social links, in addition to close ties to other portions of the larger area. If an area qualifies as an MA and has more than one million persons, PMSAs may be defined within it.

Consolidated Metropolitan Statistical Area (CMSA): The larger area of which PMSAs are component parts.

Non-Metropolitan Area: All areas outside of metropolitan areas. The definition of non-metropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies; for example, there is generally both urban and rural territory within both metropolitan and non-metropolitan areas.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in: places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin) but excluding the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

HOUSING TERMS

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family which is further classified into “male householder” (a family with a male

householder and no wife present) or “female householder” (a family with a female householder and no husband present).

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

INCOME TERMS

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide non-metropolitan median family income, if a person or geography is located outside an MSA.

Family Income: Includes the income of all members of a family that are age 15 and older.

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households consist of only one person, median household income is usually less than median family income.

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of geography.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of geography.

Upper-Income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent in the case of geography.

HUD Adjusted Income Data: The U.S. Department of Housing and Urban Development (HUD) issues annual estimates which update median family income from the metropolitan and non-metropolitan areas. HUD starts with the most recent U.S. Census data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

OTHER TERMS

Home Mortgage Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement and temporary-to-permanent construction loans.

Small Business Loan: A loan included in “loans to small businesses” as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations, and Part 345 of the Federal Deposit Insurance Corporation's Rules and Regulations, require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks and the Federal Deposit Insurance Corporation, at 5 Market Street, Amesbury, MA 01913."

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agencies, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.